

CAHILL GORDON & REINDEL LLP
EIGHTY PINE STREET
NEW YORK, NY 10005-1702

HELENE R. BANKS
ANIRUDH BANSAL
DAVID L. BARASH
LANDIS C. BEST
BRADLEY J. BONDI
BROCKTON B. BOSSON
JAMES J. CLARK
CHRISTOPHER W. CLEMENT
LISA COLLIER
AYANO K. CREED
SEAN M. DAVIS
STUART G. DOWNING
ADAM M. DWORKIN
ANASTASIA EFIMOVA
JENNIFER B. EZRING
HELENA S. FRANCESCHI
JOAN MURTAGH FRANKEL

JONATHAN J. FRANKEL
ARIEL GOLDMAN
JASON M. HALL
WILLIAM M. HARTNETT
NOLA B. HELLER
CRAIG M. HOROWITZ
DOUGLAS S. HOROWITZ
TIMOTHY B. HOWELL
DAVID G. JANUSZEWSKI
ELAI KATZ
BRIAN S. KELLEHER
RICHARD KELLY
CHÉRIE R. KISER*
JOEL KURTZBERG
TED B. LACEY
MARC R. LASHBROOK
ALIZA R. LEVINE

TELEPHONE: (212) 701-3000
WWW.CAHILL.COM

1990 K STREET, N.W.
WASHINGTON, DC 20006-1181
(202) 862-8900

CAHILL GORDON & REINDEL (UK) LLP
24 MONUMENT STREET
LONDON EC3R 8AJ
+44 (0) 20 7920 9800

WRITER'S DIRECT NUMBER

JOEL H. LEVITIN
GEOFFREY E. LIEBMANN
BRIAN T. MARKLEY
MEGHAN N. McDERMOTT
WILLIAM J. MILLER
NOAH B. NEWITZ
DAVID R. OWEN
JOHN PAPACHRISTOS
LUIS R. PENALVER
KIMBERLY PETILLO-DÉCOSSARD
SHEILA C. RAMESH
MICHAEL W. REDDY
OLEG REZZY
THORN ROSENTHAL
TAMMY L. ROY
JONATHAN A. SCHAFFZIN
MICHAEL A. SHERMAN

DARREN SILVER
JOSIAH M. SLOTNICK
RICHARD A. STIEGLITZ JR.
ROSS E. STURMAN
SUSANNA M. SUH
ANTHONY K. TAMA
JONATHAN D. THIER
SEAN P. TONOLLI
JOHN A. TRIPODORO
GLENN J. WALDRIP, JR.
HERBERT S. WASHER
MICHAEL B. WEISS
DAVID WISHENGRAD
COREY WRIGHT
JOSHUA M. ZELIG
DANIEL J. ZUBKOFF

* ADMITTED IN DC ONLY

(212) 701-3207

July 29, 2020

Re: *United States v. OZ Africa Management GP, LLC,*
No. 16-cr-515 (NGG-LB)

Dear Judge Garaufis:

OZ Africa respectfully submits this letter to briefly correct two statements concerning OZ Africa's position made in the Claimants' July 28, 2020 letter.

First, the Claimants state at page 2 of their letter that "the Parties have . . . agreed to adopt" "the DCF model prepared by the Government's financial expert" for these purposes, "using a discount rate of approximately 16.66%." This is incorrect. OZ Africa has never accepted, and does not accept, the validity of a DCF model to value the Claimants' property, nor has it ever accepted a discount rate of 16.66% as the Claimants suggest. Rather, as stated during the July 23 conference and again in OZ Africa's July 28 letter, OZ Africa continues to believe that the Claimants' losses should be measured by the loss to the publicly-traded price of their Africo shares (their property), but for the sake of finality and closure, and in the spirit of the compromise the parties are trying to reach, would be willing to pay \$136 million in full and final satisfaction of its restitution obligations to *all* victims.

Second, it is *not* correct that "[i]f the number of new victims does not materially change the percentage of shares represented, the Defendant will go forward with the contingent settlement with [the Claimants] by paying the agreed upon \$136 million to the [Claimants], plus an additional amount to any newly identified victims." (Claimants' July 28, 2020 Letter at 4). As OZ Africa made clear during the July 23 conference and again in its July 28 submission, OZ Africa would conditionally agree to pay \$136 million, and no more, in full and final satisfaction of its restitution

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-2-

obligations to all identified victims, including the Claimants and any other victims identified in advance of sentencing. No other formulation of OZ Africa's position would be accurate.¹

OZ Africa naturally defers to the Court on next steps, but believes it is very important that the record be completely clear on its position and intentions.

Respectfully submitted,

CAHILL GORDON & REINDEL LLP

By: /s/ Anirudh Bansal

Anirudh Bansal

Tara H. Curtin

Benjamin Starkweather

80 Pine Street

New York, New York 10005

Tel.: (212) 701-3000

Attorneys for OZ Africa Management GP, LLC

VIA ECF

The Honorable Nicholas G. Garaufis
United States District Judge
United States District Court for the Eastern District of New York
United States Courthouse, Room 1426 S
225 Cadman Plaza East
Brooklyn, New York 11201

cc: All Counsel of Record via ECF

¹ As we informed the Claimants, and as noted during the July 23 conference, if a *de minimis* number of additional victims were to come forward, OZ Africa *might* be inclined to go forward with a settlement on terms to be negotiated, but would have no obligation to do so. See July 23, 2020 Tr. at 13-15.